

Message Text

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ACTION AF-06

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TAGS: ELAB, NI

SUBJECT: TRADE UNION REACTIONS TO UDOJI WHITE PAPER

REF: LAGOS 11829

SUMMARY: TRADE UNIONS HAVE CALLED ON FMG TO SET MANDATORY MINIMUM WAGE OF 720 NAIRA PER YEAR AND CALLED ON EMPLOYERS TO COMPLETE NEGOTIATIONS WITH UNIONS ON NEW SALARY SCALES BEFORE END OF JANUARY. FMG DECISION TO PAY ARREARS HAS INCREASED PRESSURE ON UNIONS TO OBTAIN SOME ADDITIONAL BENEFITS FOR PRIVATE SECTOR WORK FORCE. END SUMMARY.

1. NIGERIAN LABOUR CONGRESS (NLC) STEERING COMMITTEE MET JANUARY 3 ON WHITE PAPER AND ISSUED STATEMENT CALLING ON FMG TO SET 720 NAIRA PER YEAR (LEVEL RECENTLY ADOPTED FOR CIVIL SERVICE) AS MANDATORY MINIMUM WAGE FOR ALL NIGERIAN WORKERS . THEY URGED FMG TO QUOTE BUY UNQUOTE ALL PRIVATE COMPANIES UNABLE OR UNWILLING TO PAY THIS AMOUNT, AND APPEALED TO UNIONS TO USE PEACEFUL AND CONSTITUTIONAL METHODS IN CONDUCTING NEGOTIATIONS RELATING TO UDOJI REPORT. NLC FURTHER STATED IT WOULD LIKE FMG TO ABOLISH ZONAL DIFFERENCES IN MINIMUM WAGES.

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2. NLC ESTABLISHED TWO WORKING COMMITTEES, FIRST TO HANDLE IMPLEMENTATION OF UDOJI REPORT AS IT AFFECTS PRIVATE SECTOR AND SECOND TO STUDY ALL RAMIFICATIONS OF FMG WHITE PAPER. NLC WORKING COMMITTEE CONCERNED WITH PRIVATE SECTOR, CONSISTING MAINLY OF UNIONS COVERING MAJOR COMMERCIAL ENTERPRISES, MET JANUARY 4 AND ISSUED CALL FOR EMPLOYERS TO OPEN NEGOTIATIONS WITHIN SEVEN DAYS ON UDOJI REPORT. NOTING THAT FMG WILL PAY CIVIL SERVICE ARREARS ON JANUARY 17, COMMITTEE SET JANUARY 31 AS DEADLINE FOR COMPLETION OF NEGOTIATIONS AND ASKED FMG AND NLC TO INSURE THAT NO WORKERS ARE LAID OFF DUE TO EMPLOYERS' INABILITY TO PAY 720 NAIRA MINIMUM WAGE.

3. NUMBER OF EMPLOYERS HAVE ALREADY CONTACTED UNIONS TO BEGIN NEGOTIATIONS ON NEW WAGE SCALES. THIS IS TAKEN BY SOME UNION LEADERS AS INDICATION THAT MOST MAJOR AND MEDIUM-SIZED FIRMS ARE PREPARED TO MAKE SOME EFFORT TO MEET WAGE LEVELS SET IN FMG WHITE PAPER. NIGERIAN EMPLOYERS CONSULTATIVE ASSOCIATION IS REPORTED, HOWEVER, STILL TO BE DEBATING DESIRABILITY OF ALLOWING ANY COMPANIES TO PAY UDOJI SCALES, FEARING THIS WOULD HAVE HARMFUL EFFECT ON COMPANIES UNABLE TO PAY SIMILAR RATES.

4. COMMENT: FMG DECISION TO PAY ARREARS BACK TO APRIL 1, 1974, IS AROUSING GROWING PRESS CRITICISM ON GROUNDS IT GOES AGAINST RECOMMENDATION OF UDOJI COMMISSION, WHICH WAS CONCERNED OVER ECONOMIC IMPACT OF NEW SALARY SCALES AND RECOMMENDED PHASED INTRODUCTION OF THESE SCALES OVER TWO-YEAR PERIOD. FEAR OF ECONOMIC IMPACT (REFTEL) IS INCREASING, WITH SOME SUGGESTION THAT FMG BE PREPARED TO ASSIST PRIVATE COMPANIES TO PAY SIMILAR BACK WAGES TO PRIVATE SECTOR WORKERS, THUS USING OIL REVENUE TO BENEFIT OF ALL. BACK-PAY AWARD IS PUTTING PRESSURE ON UNIONS IN PRIVATE SECTOR TO OBTAIN AGREEMENT ON NEW WAGES AS QUICKLY AS POSSIBLE IN ORDER TO REDUCE INFLATION IMPACT OF THIS ARREARS PAYMENT ON PRIVATE SECTOR WORK FORCE.

5. APART FROM THEIR ECONOMIC IMPACT, FMG WHITE PAPER AND UDOJI REPORT HAVE ALSO SERVED AS BOOSTER TO ON-GOING LIMITED OFFICIAL USE

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UNION MERGER DISCUSSINS. THERE IS GREATER AWARENESS OF NECESSITY TO MERGE INTO NLC AND INTO MORE VIABLE INDUSTRIAL UNIONS. UNION LEADERS HAVE SHOWN AN UNEXPECTED AMOUNT OF UNITY IN PAST FEW WEEKS, AND HAVE GENERALLY WAITED FOR NLC LEADERSHIP ON UDOJI ISSUE.
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